

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 8150

BILL NUMBER: SB 632

DATE PREPARED: Apr 9, 1999

BILL AMENDED: Apr 8, 1999

SUBJECT: Reading Diagnostic Assessments and Other Education Issues.

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FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) (1) This bill would establish the Reading Diagnostic and Remediation Program (the Program) and the Reading Diagnostic and Remediation Program Fund (the Fund). It would require the Department of Education (the Department) to administer the Program and Fund.

It would provide that a grade 1 or grade 2 student who is selected by the student's teacher because of difficulty in reading may be assessed and, if determined to be lacking in reading skills, must have an individualized reading instruction plan prepared for the student. It would require that the student's school track the student's performance after remediation, and would allow a school to receive diagnostic and remediation grants from the Fund.

(2) This bill would allow a school corporation to use large type and graphics when publishing the annual performance report, would provide a method to compute costs for publication of the report, and would allow a school corporation to choose whether or not to publish its annual performance report in a qualified publication.

Effective Date: July 1, 1999.

Explanation of State Expenditures: (Revised) (1) This bill would require the Department to administer the Program; coordinate grade 1 and grade 2 teacher training; and to select, purchase, and administer a diagnostic instrument to certain grade 1 and grade 2 students. The Department would also be required to approve diagnostic instruments selected by school corporations that do not wish to use a State selected assessment instrument. The Department would incur additional administrative time and cost associated with the provisions of the bill.

Assuming that all school corporations take advantage of the provisions of this bill, and that monies in the Fund are adequate to support all eligible school corporations, the State would experience a cost of approximately \$8.2 M for the biennium. A cost component breakdown of the provisions of this bill is available in Legislative Services Agency, Office of Fiscal & Management Analysis.

There is no appropriation made in this bill.

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) (1) School corporations could experience additional administrative time associated with the reporting requirements of this bill. In addition, school corporations opting to purchase their own diagnostic instrument (approved by the Board) would incur additional costs.

(2) This provision would not result in additional cost to school corporations since the charge for publishing an enhanced report would be regulated by current state law, and would remain proportional to the number of lines of regular reading matter that would have normally occupied the same space in the publication.

The current practice for publishing annual performance reports is for the Department of Education staff to prepare all charts and explanatory texts and to store them in the Department of Education Internet site. DOE also prepares a hard copy of the report and mails them to all school corporations. School corporations are then required to add information on enrollment in the CORE 40 curriculum and vocational education and any additional explanatory text of customization that they wish. To make these additions, school corporations either download the portable document format files off of the Internet site and add information using certain software or else make the changes manually. This edited version is then forwarded to the local newspapers to be printed in the newspaper's classified section.

As proposed by this bill, school corporations would have the choice of either printing the annual performance report in a qualified publication, or publishing a notice stating: 1) that the report is available to the public (free of charge); 2) that the school corporation will provide a copy of the report to any person requesting it; and 3) that the school corporation will mail or distribute a printed report to the parent or guardians of students attending the school. In addition, a school corporation would be required to provide its Internet address at which the report is available.

PUBLISHING COSTS

A sample of 41 school corporations responded to a question from the Indiana School Boards Association about the costs of publishing the annual report in their local newspaper during 1998. The average cost for these school corporations was \$2,522, with costs ranging from a low of \$75 to a high of \$18,000.

School corporations have not appeared to have added significant amounts of information to the reports that were sent to them from the Department of Education. Thirty six of 41 school corporations indicated that they made little or no additions to the performance report before sending them to the local newspapers.

OFFSETTING COSTS

Under current law, school corporations are required to publish an annual performance report in a qualified publication between September 1 and September 15 of each year (school corporations were first required to publish such a report in 1998). School corporations are required to pay for the costs of publishing performance reports in a qualified publication.

This bill could reduce the costs of publishing an annual performance report in the local newspaper as specified by IC 20-1-21. However, expenditure savings for school corporations opting to publish a notice (instead of publishing an annual performance report) could be offset by costs associated with providing free copies of the report to interested parties in accordance with this bill (school corporations opting to publish their annual performance reports would incur no additional costs).

LARGE TYPE AND GRAPHICS SECTION

For school corporations opting to publish an annual report in a qualified publication, the “large type and graphics section” of this bill would not result in additional cost to school corporations since the charge for publishing an enhanced report would be regulated by current state law, and would remain proportional to the number of lines of regular reading matter that would have normally occupied the same space in the publication.

The effects of this portion of the bill would vary from school corporation to school corporation, and would depend upon local action.

Explanation of Local Revenues: (Revised) (1) This bill would allow school corporations to receive diagnostic and remediation reading grants from the Department, based on formulas which calculate the number of grade 1 and grade 2 students who do not meet certain calculated academic standard scales.

Diagnostic grants would be used to determine whether or not a student needs to be placed in an individualized reading program. Remediation grants would be used to design and implement individualized reading instruction plans prepared for the student by the school.

State Agencies Affected: Department of Education.

Local Agencies Affected: School Corporations.

Information Sources: Bill Riley, Department of Education (317) 232-0509; Jerry McKena, CTB McGraw Hill 317/581-9404.